



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION II  
SAM NUNN ATLANTA FEDERAL CENTER  
61 FORSYTH STREET SW SUITE 23T85  
ATLANTA, GEORGIA 30303-8931**

March 3, 2004

Virginia Electric and Power Company  
ATTN: Mr. David A. Christian  
Sr. Vice President and  
Chief Nuclear Officer  
Innsbrook Technical Center - 2SW  
5000 Dominion Boulevard  
Glen Allen, VA 23060-6711

**SUBJECT: ANNUAL ASSESSMENT LETTER - SURRY POWER STATION REPORTS  
05000280/2004001 AND 05000281/2004001**

Dear Mr. Christian:

On February 4, 2004, the NRC staff completed its end-of-cycle plant performance assessment of the Surry Power Station. The end-of-cycle review for Surry involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2003. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility. This will allow you an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities.

Overall, Surry operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Unit 1 and Unit 2 performances for the most recent quarter, as well as, for the first three quarters of the assessment cycle, were within the Regulatory Response Column of the NRC's Action Matrix due to a White Safety System Unavailability - Emergency AC Power PI of the Mitigating Systems Cornerstone. For the third and fourth quarters of the assessment cycle, the Unplanned Scrams Per 7000 Critical Hours PI of the Initiating Events Cornerstone for Unit 1 was also White. These White PIs reflected performance at a level requiring increased regulatory response. A supplemental inspection was performed in a previous assessment cycle for the White Safety System Unavailability - Emergency AC Power PI. Therefore, in addition to the reactor oversight process (ROP) baseline inspection program at your facility, the NRC plans to conduct a supplemental inspection for the Unplanned Scrams Per 7000 Critical Hours PI on Unit 1. This supplemental inspection is currently in progress. In addition, a preliminary White finding for Unit 1 and a potential non-green issue for Unit 2 associated with mitigating certain fires were sent to you on February 2, 2004. Based upon the final significance determination, additional inspection activities may be warranted.

The enclosed inspection plan details the inspections scheduled through September 30, 2005. We also plan to conduct several non-ROP inspections which include routine inspections of activities associated with your Independent Spent Fuel Storage Installation, and other safety issue inspections associated with reactor pressure vessel lower head penetration nozzles, reactor containment sump blockage, and spent fuel material control and accounting. The inspection plan is provided to minimize the resource impact on your staff and to allow for

scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last twelve months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

As you are aware, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness since the terrorist attacks on September 11, 2001. We have conducted inspections to review your implementation of these requirements and have monitored your actions in response to changing threat conditions. For calendar year 2004, we plan to continue inspections of Order Implementation combined with newly developed portions of the security baseline inspection program.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact Mr. Kerry Landis at 404-562-4510 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

**/RA/**

Victor McCree, Director  
Division of Reactor Projects

Docket Nos: 50-280, 50-281, 72-2  
License Nos: DPR-32, DPR-37, SNM-2501

Enclosure: Surry Inspection/Activity Plan

cc w/encl: (See page 3)

VEPCO

3

cc w/encl.:

Chris L. Funderburk, Director  
Nuclear Licensing and  
Operations Support  
Virginia Electric & Power Company  
Electronic Mail Distribution

Richard H. Blount, II  
Site Vice President  
Surry Power Station  
Virginia Electric & Power Company  
Electronic Mail Distribution

Virginia State Corporation Commission  
Division of Energy Regulation  
P. O. Box 1197  
Richmond, VA 23209

Lillian M. Cuoco, Esq.  
Senior Counsel  
Dominion Resources Services, Inc.  
Electronic Mail Distribution

Attorney General  
Supreme Court Building  
900 East Main Street  
Richmond, VA 23219

Institute of Nuclear Power Operations (INPO)  
700 Galleria Parkway SE  
Atlanta, GA 30339-5943

**Surry**  
**Inspection / Activity Plan**  
**03/01/2004 - 09/30/2005**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	<b>OL EXAM - INITIAL EXAM</b>		<b>4</b>			
1	V23210	SURRY/EXAMS AT POWER FACILITIES		02/23/2004	03/05/2004	Not Applicable
	<b>EB1SSDPC - SSDPC PRE-INSPECTION VISIT</b>		<b>2</b>			
1, 2	IP 7111121	Safety System Design and Performance Capability		03/01/2004	03/05/2004	Baseline Inspections
	<b>EB1SSDPC - SAFETY SYS DESIGN &amp; PERF. CAPABILITY</b>		<b>5</b>			
1, 2	IP 7111121	Safety System Design and Performance Capability		03/22/2004	03/26/2004	Baseline Inspections
1, 2	IP 7111121	Safety System Design and Performance Capability		04/05/2004	04/09/2004	Baseline Inspections
	<b>EB2-MR - MAINTENANCE RULE</b>		<b>1</b>			
1, 2	IP 7111112B	Maintenance Effectiveness		04/19/2004	04/22/2004	Baseline Inspections
	<b>PS-SEC - SECURITY</b>		<b>2</b>			
1, 2	IP 7113001	Access Authorization		05/10/2004	05/14/2004	Baseline Inspections
1, 2	IP 7113002	Access Control		05/10/2004	05/14/2004	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		05/10/2004	05/14/2004	Baseline Inspections
	<b>PS-RP - RADIATION PROTECTION - ISFIS</b>		<b>1</b>			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		05/17/2004	05/19/2004	Baseline Inspections
	<b>2515/154 - TI 2515/154 - SPENT FUEL MC&amp;A</b>		<b>2</b>			
1, 2	IP 2515/154	Spent Fuel Material Control and Accounting at Nuclear Power Plants		05/23/2004	05/29/2004	Safety Issues
	<b>EB2-HS - HEAT SINK</b>		<b>1</b>			
1, 2	IP 7111107B	Heat Sink Performance		05/24/2004	05/28/2004	Baseline Inspections
	<b>PS-RP - RP PUBLIC BASELINE</b>		<b>3</b>			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		06/07/2004	06/11/2004	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		06/07/2004	06/11/2004	Baseline Inspections
1, 2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		06/07/2004	06/11/2004	Baseline Inspections
1, 2	IP 7112203	Radiological Environmental Monitoring Program		06/07/2004	06/11/2004	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		06/07/2004	06/11/2004	Baseline Inspections
	<b>2515/153 - TI 2515/153 RX CONTAINMT SUMP BLOCKAGE</b>		<b>2</b>			
1, 2	IP 2515/153	Reactor Containment Sump Blockage (NRC Bulletin 2003-01)		06/21/2004	06/25/2004	Safety Issues
	<b>OL EP - EP INSPECTION</b>		<b>1</b>			
1, 2	IP 7111402	Alert and Notification System Testing		10/25/2004	10/29/2004	Baseline Inspections
1, 2	IP 7111403	Emergency Response Organization Augmentation Testing		10/25/2004	10/29/2004	Baseline Inspections
1, 2	IP 7111404	Emergency Action Level and Emergency Plan Changes		10/25/2004	10/29/2004	Baseline Inspections
1, 2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		10/25/2004	10/29/2004	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		10/25/2004	10/29/2004	Baseline Inspections

This report does not include INPO and OUTAGE activities.  
This report shows only on-site and announced inspection procedures.

**Surry**  
**Inspection / Activity Plan**  
**03/01/2004 - 09/30/2005**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	<b>EB2-ISI - INSERVICE INSPECTION-U1</b>		<b>2</b>			
1	IP 7111108P	Inservice Inspection Activities - PWR		11/08/2004	11/12/2004	Baseline Inspections
	<b>EB2SGISI - STEAM GENERATOR INSERVICE INSPECTION-U1</b>		<b>2</b>			
1	IP 7111108P	Inservice Inspection Activities - PWR		11/22/2004	11/26/2004	Baseline Inspections
	<b>2515/152 - U-1 2515/152: RPV LOWER HEAD PENETRATION</b>		<b>1</b>			
1	IP 2515/152	Reactor Pressure Vessel Lower Head Penetration Nozzles (NRC Bulletin 2003-02)		12/03/2004	12/10/2004	Safety Issues
	<b>OL RQ - REQUAL INSPECTION</b>		<b>2</b>			
1, 2	IP 7111111B	Licensed Operator Requalification Program		03/07/2005	03/11/2005	Baseline Inspections
	<b>EB2-ISI - INSERVICE INSPECTION-U2</b>		<b>2</b>			
2	IP 7111108P	Inservice Inspection Activities - PWR		03/28/2005	04/01/2005	Baseline Inspections
	<b>PS-RP - RP OCCUPATIONAL BASELINE - WEEK 1</b>		<b>2</b>			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		04/18/2005	04/22/2005	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		04/18/2005	04/22/2005	Baseline Inspections
1, 2	IP 7112202	Radioactive Material Processing and Transportation		04/18/2005	04/22/2005	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		04/18/2005	04/22/2005	Baseline Inspections
	<b>PS-RP - RP OCCUPATIONAL BASELINE - WEEK 2</b>		<b>2</b>			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		05/09/2005	05/13/2005	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		05/09/2005	05/13/2005	Baseline Inspections
1, 2	IP 7112202	Radioactive Material Processing and Transportation		05/09/2005	05/13/2005	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		05/09/2005	05/13/2005	Baseline Inspections
	<b>PI&amp;R - PROBLEM IDENTIFICATION AND RESOLUTION</b>		<b>4</b>			
1, 2	IP 71152B	Identification and Resolution of Problems		08/08/2005	08/12/2005	Baseline Inspections
	<b>OL EP - EMERGENCY EXERCISE</b>		<b>1</b>			
1, 2	IP 7111401	Exercise Evaluation		08/22/2005	08/22/2005	Baseline Inspections
1, 2	IP 7111404	Emergency Action Level and Emergency Plan Changes		08/22/2005	08/22/2005	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		08/22/2005	08/22/2005	Baseline Inspections
	<b>PI&amp;R - PROBLEM IDENTIFICATION AND RESOLUTION</b>		<b>4</b>			
1, 2	IP 71152B	Identification and Resolution of Problems		08/22/2005	08/26/2005	Baseline Inspections
	<b>OL PREP - INITIAL EXAM PREP</b>		<b>3</b>			
1	V23210	SURRY/EXAMS AT POWER FACILITIES		09/12/2005	09/16/2005	Not Applicable
	<b>EB2-MODS - MODIFICATIONS/10CFR50.59</b>		<b>2</b>			
1, 2	IP 7111102	Evaluation of Changes, Tests, or Experiments		09/26/2005	09/30/2005	Baseline Inspections
1, 2	IP 711117B	Permanent Plant Modifications		09/26/2005	09/30/2005	Baseline Inspections

This report does not include INPO and OUTAGE activities.  
This report shows only on-site and announced inspection procedures.